Approved For Release 2004/07/07 : CIA-RDP75B00157R000100040004-5

Executive Registry, 0004-5

THE WHITE HOUSE

WASHINGTON

DD/ST#326-69

JAN 23 1969

NSC REVIEW COMPLETED

National Security Study Memorandum 9

TO:

The Secretary of State
The Secretary of Defense

The Secretary of the Treasury

The Director of Central Intelligence

SUBJECT:

Review of the International Situation

The President has directed the preparation of an "inventory" of the international situation as of January 20, 1969. He wishes the review to provide a current assessment of the political, economic and security situation and the major problems relevant to U.S. security interests and U.S. bilateral and multilateral relations. In order to put this review into effect he wishes to consider responses to the attached set of questions along with other material considered relevant. The review should include a discussion, where appropriate, of the data upon which judgments are based, uncertainties regarding the data, and alternative possible interpretations of the data.

The responses should be forwarded to the President by February 20, 1969.

Attachment

.

THE U.S.S.R.

I. General

- 1. How do the Soviets see their position in the world vis-a-vis the United States?
- 2. Is there a general trend toward greater assertiveness in Soviet foreign policy or toward more concentration on internal affairs?
- 3. What bearing does the military balance have on US/Soviet relations? What factors tend to promote Soviet efforts at cooperation with the US; what factors impel the Soviets toward confrontation with us?
- 4. Are there special factors operating one way or the other at the moment?

II. Military

A. Strategic Forces

- 1. What is the inventory of deployed Soviet strategic offensive and defensive forces as of January 1969? How are these forces likely to develop over the next 1-3-5-10 years in the absence of a US-Soviet limitation agreement? What technological changes seem likely over this time period? What is the extent and significance of increasing Soviet military presence far from the USSR?
- 2. How much do we know about current Soviet doctrines, plans, and procedures relating to the structure, basing and deployment, command and control, and use of strategic offensive and defensive forces? Which organizations control what particular offensive and defensive programs and forces? How do we get our information about Soviet strategic forces? What are the "hard" and "soft" areas of our information?

B. General Purpose Forces

1. How has the Czechoslovak crisis affected the pattern of deployment, state of readiness and supply, and numerical levels of Soviet General Purpose Forces? Have manning and equipping levels of ground forces changed? Are these short or long-term effects?

SEGRET

USSR: 2

SECRET

- 2. What is the Soviet capability to deploy and support ground, naval, and air forces (a) in the Mediterranean, (b) in the Middle East, (c) in Africa and Asia? What trends are likely in the next 1-3-5 years regarding each of these areas?
- 3. What are present Soviet doctrines, plans, inventory levels, and deployments for non-strategic nuclear weapons? What future trends may be discerned?

III. Political

- 1. What are the sources of our information and the basis for our assessment of Soviet intentions and objectives? What are the "hard" and "soft" areas of our information?
- 2. From the perspective of the Soviet leadership, what challenges does the US appear to present? What threats to Soviet interests or to Soviet security?
 - 3. What do we know of Soviet desires for a Summit?
- 4. What is the status of US-Soviet negotiations on opening consulates? What is the status of negotiations on chancery sites, leased lines, fisheries? What is the status of cultural exchanges with the US?
- 5. Apart from the possible release of Ivanov, what possibilities are available for gestures toward the Soviets?
- 6. What is the role of "wars of national liberation" in current Soviet political-military doctrine and policy? Has this role been modified since Khruschev's famous speech of 1961?
- 7. By what means does the USSR currently influence and/or control the policies of its East European allies? How are the relationships between Moscow and the several East European governments and communist parties likely to be modified as a result of the Czechoslovak crisis?

USSR: 3

SECRET

- 8. What is the extent and strength of the relationship between Moscow and the various communist parties of the non-communist world? Has the crisis affected relationships with Communist parties in other regions? To what extent is competition with Peking a factor?
- 9. What are the forces within the USSR tending to promote internal political and economic liberalization? What elements oppose liberation? How strong are these forces? How is their balance likely to be affected (a) by US actions or policies, (b) by other external sources? How is their balance likely to be reflected in Soviet foreign and military policies?
- 10. How do the Soviets see the future of their relations with principal West European countries? How do they see the future of NATO?

IV. Economic

- 1. How rapidly is the Soviet economy growing? What trends are likely over the next 1-3-5-10 years? What are the likely effects of these trends on Soviet foreign and military policies?
- 2. How useful and how effective are existing Western controls on the export of strategic goods (a) to the USSR, (b) to other East European countries? In which areas do our COCOM partners disagree with the US positions and what is the basis of their disagreement? How useful, and how effective, are limitations on the extension of credit?
- 3. What is the existing pattern of trade between the USSR and (a) the West as a whole, (b) the US? What would be the economic and political effects on enlargement of this existing pattern of trade, or other significant modifications of it? Are there goods which, if traded between the US and USSR, would create a significant threat to US security? Noting Kosygin's remarks to McNamara about truck production, are there any initiatives in the trade field which the US should consider?

V. Foreign Military and Economic Assistance Programs

1. What are the principal objectives of the Soviet Government in providing military/economic aid to the LDCs?

USSR: 4

SECRET

- 2. What strains and burdens do these programs place upon the Soviet economy?
- 3. What are Soviet attitudes with regard to the provision of sophisticated weapons (surface-to-surface missiles, supersonic fighters, special radar, etc.) to the LDCs?
- 4. What degree of influence has the USSR acquired as a result of these programs?
- 5. What politico-military risks does the USSR incur as a result of its military assistance program? Is the Soviet leadership cognizant of these risks? What will be the pattern of resource allocation over the next 1-3-5 years?

EASTERN EUROPE

I. Warsaw Pact

- 1. What is the status of our bilateral relations with the East European countries? Is there significant difference in our relations with (a) Czechoslovakia, (b) those EEs that participated in the Czechoslovakia Invasion, and (c) those that did not?
- 2. How does Soviet sensitivity to "bridge-building" in Eastern Europe relate to our policy there and to the policies toward us of the various East European countries?
- 3. What is the situation in Czechoslovakia now? What US policies are explicitly tied to the events in Czechoslovakia?
- 4. What is the state of (a) Soviet-Yugoslav and (b) Soviet-Romanian relations? How great is the likelihood of Soviet military action against one or both? How likely are crises in Soviet relations with them short of invasion? What kinds?
- 5. How has our assessment of Warsaw Pact capabilities been modified by the invasion of Czechoslovakia? What is the state of our contingency plans (US and NATO) with respect to deterring and coping with possible Soviet actions against Romania and Yugoslavia?
- 6. How have the deployments relating to the invasion of Czechoslovakia affected the balance of military forces in Europe? How do Pact forces compare (in gross and in detail) with NATO?
- 7. How far has the Pact proceeded with unification of command and force structures? What trends can be expected over the next 1-3-5 years?

II. Political and Economic Relationships

1. What are the prospects for liberalization in the various East European countries over the next five years? What is the US interest, if any, in this liberalization? How can the course of politics in East Europe be affected by US policies and actions?

EE: 2

SECRET

2. What is the present role and status of COMECON? What is its role in Soviet policy? To what degree does COMECON create barriers between Eastern Europe and Western trade and capital? What are likely future trends over the next 1-3-5-10 years in the economic relations between the USSR and its East European neighbors? Between COMECON and the West?

SECRET

WEST EUROPE -- GENERAL ECONOMIC

- 1. What are the most likely courses of development of the European Communities over the next 1-3-5 years? Identify (a) what political and economic circumstances in individual member countries and in the communities as a whole, (b) what policy decisions or actions on the parts of which member governments, and (c) the possible external (i. e., outside the member states) events, which will most affect these courses of development?
- 2. What possible developments in the European communities over the next 1-3-5 years would be most likely to come into conflict with the interests and aims of the United States? With those of Japan? With those of the various East European members of COMECON? With those of the USSR?
- 3. What are the prospects for British entry into the communities over the next 1-3-5 years? For the entry of other states? For some sort of relationship short of full membership for the UK and/or other non-member states? How will these various contingencies affect US interests? How will they affect the interests of other non-European developed industrial states?
- 4. What is the state of West European relations (including EEC) with the USSR and Eastern Europe? Do these pose any problems for us? What is the state of consultations between us and the West Europeans on these matters?

NATO

- 1. What are the most likely causes of an outbreak of hostilities in Europe between NATO and Warsaw Pact forces? What are the circumstances that might surround an actual outbreak? What less likely contingencies are nevertheless planned for by NATO? How capable are NATO forces judged to be in meeting this spectrum of contingencies?
- 2. What is the state of readiness of the various national contingents assigned to NATO? What endurance would they have? What are their reinforcement capabilities?
- 3. How effectively could NATO's command structure cope with various likely contingencies of hostilities? What are the areas of most significant weakness?
- 4. How has the Alliance been affected by the non-participation of France in the affairs of the Military Organization? To what extent do NATO plans assume the participation of French Forces and the common use of French facilities in the event of hostilities? How realistic are these assumptions?
- 5. What problems does NATO face regarding planning for, deployment, and use of nuclear weapons? In what manner, and how seriously do these problems impair the military efficiency or the political cohesion of the Alliance?
- 6. Is the Nuclear Planning Group an adequate mechanism of response to NATO's nuclear problems? What are its deficiencies? What are the prospects for Anglo-French, or Anglo-French-FRG nuclear cooperation?
- 7. How weak are NATO's flanks? What sorts of contingencies might be affected by their weakness? Are these likely contingencies?
- 8. Is the Greek junta still a divisive issue within NATO? How is the Alliance affected by it?

- 9. To what extent does the Alliance retain popular political support in its member nations? In what manner is this support likely to change over the next five years? Which nations, if any might withdraw from the Alliance during this period?
- 10. How much agreement is there, in fact, regarding NATO's present strategy? To what extent does it contribute actual operational guidance and to what extent is it primarily a general statement of dessiderata?
- 11. What alternative modes of political organization for Western defense have attracted significant support within the governments or informed publics of any of the members of the Alliance?
- 12. What are the prospects for increased US-European cooperation in weapons development and production? For increased inter-European cooperation?
- 13. What are the prospects for effective Alliance cooperation and coordination in the handling of extra-European crisis situations such as (a) renewed hostilities in the Middle East, (b) post-Vietnam-war hostilities in South or Southeast Asia, (c) racial conflict in Southern Africa, (d) communist-supported insurgency in tropical Africa?
- 14. Are major Soviet initiatives in the European security field likely? To what extent do intra-Warsaw-Pact problems inhibit the Soviets in this regard?
- 15. How much pressure is there for a European security conference?
- 16. What is the political role of NATO; what is the state of consultations within NATO on political questions?

SECRET'

FEDERAL REPUBLIC OF GERMANY

- 1. What is the role, and the importance, of reunification as an issue in FRG politics? And for NATO policy?
- 2. What would be the consequences for FRG politics and for the FRG's relations with both West and East of an enhancement in the international status (recognition by a Western government, admission to international organizations, etc.) of the GDR? What is the state of FRG/GDR relations and our posture on them?
- 3. How strong, and what are the sources of strength, of right-wing neo-Nazi movements in the FRG? What will be their likely influence on West German foreign and military policies over the next five years?
- 4. How will the FRG's Eastern policy be affected by the Soviet invasion of Czechoslovakia?
- 5. What views of Soviet intentions and capabilities are held by which elements of the FRG political spectrum? What is the state of FRG-Soviet negotiations on non-use-of-force?
- 6. How are the intentions and capabilities of the FRG perceived by the Soviet leadership? By that of the Communist states of Eastern Europe? By the publics of these countries?
- 7. Why has the West German Government so strongly resisted revaluation of the DM? What measures to ease the international monetary situation would be most acceptable to the FRG Government and public? Less acceptable? Unacceptable?
- 8. What arrangements, if any, will the FRG accept to offset US Military Balance of Payments losses?
- 9. How would West German politics react to a significant (say, 50%) reduction in US troop levels in Europe? To what degree does the FRG Government and public expect such reductions over the next one to five years?

FRG: 2

SECRET

- 10. How has the US involvement in Vietnam affected US-FRG relations? How will US-FRG relations be affected by various possible outcomes of the Vietnam War?
- 11. How might US interests be affected by the continuance of dissolution of the FRG governing coalition before or after the forthcoming Budestag Elections?
- 12. What is the political background for the decision to hold the Federal Assembly Meeting in Berlin in March? Are the Germans firm on this? How do the British and French see this matter? What is the state of our diplomatic exchange with the Soviet Union?
- 13. What is the state of FRG-GDR relations? and what problems, if any, do these pose for us?
- 14. What does the FRG expect from the U.S. in terms of bilateral relations?
- 15. What outcome do the Germans expect from the offset talks?

SECRET

BERLIN

- 1. How viable is West Berlin today? What are the prospects for significant economic decline or political instability in West Berlin? What is the likely course of political and economic development in West Berlin over the next 1-3-5 years? Of West Berlin's political and economic relationship with the FRG?
- 2. What is present Soviet policy regarding West Berlin? East German policy? What Soviet or East German pressures against West Berlin are likely over the next 1-3-5 years? Under what circumstances? What is the status of Alliance planning and preparations to meet possible Berlin contingencies?

SECRET

FRANCE

- l. What are the prospects for significant economic and political instability in France? What are the primary sources of likely instability? What are the implications of various kinds of instability for French foreign and defense policies?
- 2. What is the present status (size, effectiveness, patterns of deployment, doctrines for employment) of French nuclear forces? What is their likely course of development over the next 1-3-5-10 years?
- 3. What sorts of US assistance for the development of French nuclear forces are desired by various groups within France? What would be the effect on the French military nuclear program of US assistance comparable to that which we have given the UK?
- 4. What Western defense arrangements would be likely to receive what sorts and what degrees of French cooperation? What are the prospects over the next five years for greater French participation in existing NATO military arrangements?
- 5. What measures to ease the international monetary situation would be most acceptable to the French government and public? Less acceptable? Unacceptable?
- 6. What is the present state of French relations with the USSR? With the CPR? With the various communist states of Eastern Europe? How are these relations likely to develop over the next five years?
- 7. To what degree were de Gaulle's world-view -- and French policy -- affected by the events of May 1968 in France and those of August 1968 in Czechoslovakia?
- 8. How strong is the commitment of the French Government to a pro-Arab, anti-Israeli Middle-Eastern policy? Is such a policy likely to survive de Gaulle?

FRANCE: 2

SECRET

9. What will be the effect on US-French relations of various possible outcomes of the Vietnam war?

UNITED KINGDOM

- 1. What is the present status of US-UK military nuclear cooperation? What forms does it take?
- 2. What is the present status (size, effectiveness, patterns of deployment, doctrines for employment) of UK nuclear forces? What is their likely course of development over the next 1-3-5-10 years, assuming (a) continuation of present levels and types of US-UK military nuclear cooperation, (b) increased cooperation, and (c) reduced, or discontinued, cooperation?
- 3. What are present deployments of UK military forces outside Europe and the UK itself? What are they likely to be over the next five years? Are they likely to be affected by a change of government in the UK? What actions or policies on the part of the US might induce the UK to alter these deployments? Is it likely that the UK will develop an effective strategic mobility capability? What role is the UK likely to play over the next five years in extra-European security arrangements?
- 4. What are the prospects over the next 1-3-5-10 years for the UK economy? What are the implications of these prospects for UK foreign and defense policies?

SPAIN

- 1. What are the prospects for significant political and/or economic instability in Spain over the next 1-3-5 years? What would be the most likely sources of instability? In what manner might US interests be affected?
- 2. Are changes in the regime likely to affect U.S. base tenure?
- 3. What is the current status of negotiations on renewal of the base agreement?
- 4. What is the status of Spanish-UK negotiations regarding Gibraltar?

PORTUGAL

1. What is the Portuguese goal in re-opening the question of US base rights in the Azores in December 1968? Is there any evidence that the Portuguese wish to transfer US air bases to the mainland (Beja) and phase out the US presence in the Azores? Should the Portuguese initiative be viewed as an attempt to capitalize on the current unsettled status of US-Spanish base negotiations?

CANADA

- 1. What are the prospects for significant political or economic instability in Canada over the next 1-3-5 years?
- 2. What is the present strength of the Quebec separatist movement? Is it likely to increase over the above time spans? What factors will affect its strength?
- 3. Over the next 1-3-5 years will Canada (a) withdraw from the Atlantic Alliance? (b) cease participating in its military organization?
- 4. What are the most salient problems in present US-Canadian relations? What additional matters of contention are likely to arise over the next 1-3-5 years?

REPUBLIC OF CHINA

- 1. How stable is the present Chiang Government? Are there any prospects for its overthrow? What is its present military strength?
- 2. What is the state of the GRC economy and what are its prospects for growth? How much does the high level of military expenditures affect GRC economic prospects? What is the likelihood of Chiang agreeing to a reduction in his armed forces in exchange for their modernization?
- 3. What are Chiang's intentions towards the mainland? Does he really intend to "return to the mainland"? Under what circumstances would he launch an attack? Will the current GRC ever accept a two-China policy, de jure or de facto?
- 4. Will the policies and attitudes of the Chinese Government change radically after Chiang's death? Besides CCK, who are the most important future leaders? Will they share Chiang's dedication to "return to the mainland"?
- 5. Is the GRC likely to develop relations with the USSR?
 Are we confident of our knowledge in regard to possible GRC overtures to the Soviet Union?
- 6. What is the strength of the Taiwan independence movement? What is the state of relations between the Taiwanese and Mainlanders? Have these relations improved? How do youths in both groups look to the future?
- 7. In what circumstances might the GRC agree to withdraw from the offshore islands?
- 8. Would the GRC agree to have the U.S. develop additional bases or to relocate bases from other areas? How would such use of Taiwan be regarded by Peking? What would Peking do about it?
- 9. What are the prospects for greater acceptance of the GRC into the Asian community?

SECRET

JA	7	٨	NT.
JB		τ.	7./

	1.	How	strong an	e the	pressures	in Japan	and the	Rvukvus	25X6
for	reversi		the Ryuk		*	·-] :
				•					25X6

would U.S.-Japan relations be affected if we refused to negotiate on reversion in 1969? What are the prospects for continue Okinawan acquiescence to U.S. administration if reversion is not agreed to in 1969? Can we depend upon the present Yara Government in the Ryukyus? How strong is public resistance to stationing of B-52s in Okinawa for Viet-Nam operations? Could we continue to do this after reversion?

- 2. What are the present capabilities of the Self-Defense Forces? What additional strength and equipment would be required for Japan to take over full responsibility for its sea and air defense? What are the prospects for an increased defense effort? In what areas, air defense, ASW, etc? What is the U.S. role in the defense of the Japan area? What U.S. forces are deployed in Japan and environs with the specific mission of assisting in the defense of Japan?
- 3. What are the major U.S. base issues? What base issue and pressures are likely to arise over the next 1-3-5 years? Are there additional opportunities for bringing the Japanese into joint-basing arrangements?
- 4. What is the state of Japanese relations with Communist China and with Taiwan? To what extent is Communist China regarded as a threat to Japan? How do the Japanese feel China is likely to use its nuclear power? Does U.S. China policy affect U.S.-Japanese relations? What factors are likely to influence a change in Japan's China policy? What is Japan's view of a two-China policy and what steps is it likely to take towards this objective? Will Japan move ahead soon to recognize Mongolia? Will Japan continue to apply strategic trade controls to China and how?

JAPAN: 2

SECRET

- 5. Will Japan wish to retain the Security Treaty? Will it suggest any changes? What is the extent of opposition to automatic continuation? Does Japan face serious civil disorder over the Treaty in 1969-1970? To what extent is opposition to the Treaty distinct from pressure on bases and the movement for reversion of Okinawa?
- 6. Is Japan interested in developing its own nuclear weapons? What would their role be for Japanese security? Is it likely to seek to acquire an ABM system? Will Japan retain confidence in the U.S. nuclear umbrella?
- 7. How does Japan regard the Soviet Union? What are the prospects for a Soviet agreement to return the Southern Kuriles? Will the Soviet Union play this card to embarrass U.S. -Japan negotiations on the Ryukyus? As more or less of a threat than Communist China? What are the prospects for expanded Japanese trade and investment in the Soviet Union?
- 8. What measures is Japan likely to take to reduce its dependence on Middle East oil? Is Japan likely to seek active participation in decisions regarding the defense of the Malacca Straits?
- 9. How would Japan react to various events in Viet-Nam? To accelerated hostilities? To a Communist takeover? Will the Japanese reaction affect fundamental U.S.-Japan economic and defense relations?
- 10. Is the LDP likely to win the next election? Is a coalition government a likely possibility over the next 1-3-5 years? What about attitudes and prospects of the Komeito? What political trends are likely to develop among the existing urban population transferred from rural areas? In new urban areas?
- Il. What is the state and prospects of the Japanese economy? What factors will principally effect the prospects for continued economic growth? How important is the present level of U.S.-Japan trade to Japan's economic strength? What are the major U.S.-Japan trade problems? What sort of cooperation can the U.S. expect from Japan in meeting its balance of payments problems?

JAPAN: 3

SECRET

- 12. Will Japan accelerate its space efforts? Will it enter into a cooperative program with the U.S. with controls on exports of technology to third countries as the price? Can it implement such controls?
- 13. What is Japan's present role in the region? How is it likely to develop in 1-3-5 years? Will it exercise regional leadership and what will be the reaction of countries in the region to Japanese leadership? How does Japan view the present and future structure of regional organizations? What are the prospects of Japan playing an increased economic, political and security role in the region over the next decade? What is the maximum contribution Japan can be expected to make in the next few years to Asian security -- peacekeeping forces, assistance to police, para-military and military forces?

KOREA

- 1. Does President Park enjoy popular support? What are the attitudes toward the Park administration of key groups, such as intellectuals, public opinion leaders, labor, students? Is there rural dissatisfaction? What is the government doing about it?
- 2. What are the attitudes and plans of political opposition groups? Are any of these strong enough to challenge Park successfully? How serious is corruption? What measures has the government taken to control it?
- 3. Is the 1971 Presidential Election likely to come off peacefully without undermining political stability? Will Park run and win? Who are the most likely successors to Park?
- 4. Is there any prospect of a relaxation of tension in Korea? Will sustained harrassment on the part of North Korea over a long period weaken the stability or resolve of ROK leaders and political parties? Leaving aside the security aspects, would attitude toward the nation's future be affected by the withdrawal of US ground forces?
- 5. Is coordination of ROK military and other security forces adequate, or do relations among the security forces pose problems?
- 6. Can we rely on assurances by ROK leaders that public threats of retaliation against North Korea are made for political purposes? What is the risk of the US being drawn into hostilities as a result of ROK actions? Could ROK front-line defense be weakened by concurrent landings on the order of the Unchin landing?
- 7. What are ROK attitudes toward Japan? Has the government become more willing to accept Japanese help? Will it be possible over the next 1-3-5 years to develop closer defense cooperation, e.g., air defense and naval defense of the Sea of Japan, between the ROK and Japan.

KOREA: 2

SECRET

- 8. What are the present U.S.-Korean command relationships? How much Korean pressure is there to reduce U.S. operational control over ROK military forces?
- 9. What is the state and prospects for Korean economy? How much external assistance is being provided to it at present? How much will be required in the future and for how long?

SECRET

COMMUNIST CHINA

- 1. What is the present state of the Chinese Communist political apparatus and control following the cultural revolution? How strong is Peking's control over the regions? Is there any significant opposition to Mao and is a major move against Mao a possibility?
- 2. After Mao's death, what are the leadership prospects and who will control China? What are the prospects for a major change in Chinese policy after Mao's death?
- 3. What effect did the cultural revolution have on the Chinese economy and what are its current prospects? Is China facing a major food problem and what is it doing about agricultural and population control? What are its foreign exchange resources?
- 4. What is the current strength and deployment of the Chinese Communist armed forces? Is it modernizing its conventional forces? How strong is its air defense?
- 5. What is the status of the Chinese Communists' nuclear weapons program? What are the major problems and weaknesses? When will the Chinese Communists be in a position to deploy nuclear armed ballistic missiles? What will be Chinese Communist's nuclear strategy once it has a force in being? Will the Chinese Communists be willing to enter into international arrangements to control nuclear weapons? and under what conditions?
- 6. What is the current state and prospects for Sino-Soviet relations? Is a rapprochement possible and under what circumstances?
- 7. What are Chinese Communist attitudes towards the United States? Will they try to make a deal with the United States at the expense of the Soviet Union? Are they really interested in peaceful co-existence with the U.S. and what would be Peking's conditions?

COMMUNIST CHINA: 2

SECRET

- 8. What is the nature of the Chinese Communist threat to Asia? Is Peking likely to engage in conventional and/or nuclear attacks against its neighbors? What are the principal deterrents to such attacks? How much support is Communist China giving to subversive and insurgency movements in the region? How much support is it likely to give in the future? What role is China playing in Laos and Thailand?
- 9. What is the nature of the Chinese Communists relations with Hanoi and the NLF? Will the Chinese Communists seek to participate in any large Viet-Nam negotiations?

PHILIPPINES

- 1. Is Philippine nationalism likely to develop to the point of a major departure in foreign alignment? To what extend does nationalism operate as a force independent of events elsewhere in Asia? Does the U.S. alignment depend on the outcome of these events?
- 2. Will the Philippines expand trade and enter into diplomatic relations with the USSR? Communist China?
- 3. Will the Philippines continue to support the U.S. on major Asian issues over the next 1-3-5 years?
- 4. What is the attitude toward the U.S. of key groups such as intellectuals, students, labor?
- 5. Are nationalist outpourings by Marcos and other Philippine leaders likely to develop an uncontrollable momentum? What are the implications for U.S. bases of nationalist fervor? Will Sangley Point have to be returned to the Philippines? If so, by what date? Are similar pressures likely to build up for the return of Clark or Subic? What can the U.S. do to ease pressures? Is further consultation on Asian security matters advisable? What about joint basing?
- 6. Can the value of U.S. bases be determined in dollar terms by assessing alternative means of performing base functions or alternative bases? If so what is a reasonable price in terms of U.S. aid?
- 7. Does the Huk insurgency pose a serious threat to the government over the next 1-3-5 years? How efficient are the armed forces? The police? What are major problems? Corruption? Equipment? Morale? What is the government doing with rural unrest, about urban discontent?
- 8. What are the major weaknesses of the economy? Is the GOP taking effective measures to meet the economic problems? What foreign assistance is it receiving and are additional external resources required? Under what conditions?

SECRET

MIDDLE EAST -- GENERAL

1. Basic Conditions

- a. Is there any likelihood of a change in the basic conditions of intense hostility between Israel and the Arab nations over the next year? Four years?
- b. Is the outbreak of another major war between Israel and the Arabs likely? By deliberate Israeli initiative? By deliberate Arab initiative? By spiral?
- c. Are any basic changes in the character of Arab nationalism and efforts at pan-Arab unity likely over the next five years? What are the prospects for continued Arab-Arab rivalries?
- d. What type of threat does Arab <u>fedayeen</u> action pose for Jordan and Lebanon? For Israel? What are the prospects for further consolidation and growth of the fedayeen movement -- with an Arab-Israeli settlement and without?
- e. Identify the leverage of external powers in the Middle East.

 To what extent are nationalism and broadening political consciousness subject to manipulation?
- f. What are the prospects for basic changes in the character of Arab governments, for example the prospects of Arab monarchies, the Arab Nationalist Movement, etc.?
- 2. What contingency situations in the Middle East are likely to produce a U.S.-USSR confrontation?

3. Soviet Policy

- a. What are Soviet interests and objectives in the Middle East? How far is the USSR likely to go in compromising these to avoid conflict with the U.S.? What kind of influence does the USSR seek in the area?
 - b. Why have the Soviets re-equipped the UAR so rapidly?
- c. What do Soviet efforts to train Arab military forces suggest? For what types of engagement will the UAR military be prepared?

SECRET

- d. Why have the Soviets proposed an imposed settlement? What does the evidence suggest? For example:
 - (1) fear of another outbreak?
 - (2) effort to extend their influence in the Middle East?
- e. What is the extent of the Soviet naval build-up in the Middle East? For what purposes? What are the prospects for Soviet acquisition of basing and overflight rights in the Middle East and North Africa?

4. Other Nations!

- a. To what extent are Western European nations and Japan dependent on Middle East oil? Can a plausible scenario be constructed in which that oil would be withheld for any considerable period? How would such withholding affect oil supplies? How would it affect the economies of the oil suppliers? Would the suppliers cooperate if a boycott were prolonged?
- b. Of what importance is transit through the Suez canal? To whom?
- 5. What is the size, effectiveness, location and political coloration of the various commando groups which take part in actions against Israel? What is the quality of their leadership? What relations have these groups with each other? With the various Arab governments? With local regular forces?

SECRET

ISRAEL

1. Conventional Capability

- a. Are Israeli capabilities sufficient to defeat any Arab conventional attack?
- b. In the next 1-3-5-10 years is the conventional balance likely to shift against Israel?
- c. Do relevant Israeli political factions believe that Israeli capabilities are sufficient to defeat Arab enemies? To deter? Where do they differ?

2. Nuclear Capabilities

- a. Is Israel actively constructing an atomic bomb?
- b. Does Israel have sufficient materials for a number of nuclear weapons? Where are which materials available?
- c. What delivery vehicles are available to Israel now? Over the next five years?
 - d. Where and how would weapons be tested?
- 3. What political and strategic risks and gains would be involved in Israeli withdrawal from occupied territory in:
 - a. West Bank?
 - b. Jerusalem?
 - c. Syrian Heights?
 - d. Sinai?
- 4. What are the pressures within Israel for firm responses to Arab guerrilla attacks? How might these pressures be eased?
- 5. What are Israel's alternatives to large-scale (e.g., Beirut Airport) retaliation? Why does the present government seem unable to live with Arab raids and Israeli counter-raids of similar proportion?

SECRET

- 6. What would be the best combination of Israeli domestic political forces in terms of facilitating a "solution" to the current Middle Eastern crisis? What influence do we have should we decide to urge Israel to adopt a flexible negotiating position? What influence can other nations bring to bear?
- 7. Are Israeli-Arab problems within Israel likely to become a serious race issue?
- 8. What are the effects on Israeli strategic thinking of the presence of Soviet military forces in the UAR? What are the likely implications for Israeli military policy of a continuing Soviet military presence?

SECRET

UAR*

- 1. What is the spectrum of interests and opinions in Egyptian domestic politics? Which groups have what power and how is their influence likely to increase or decrease?
- 2. Which groups are seriously committed to active war against Israel? Which groups favor rapprochement? How powerful are these groups?
- 3. How monolithic is the Nasser regime? Under what conditions might Nasser be unseated? Are there important dissident groups? What is their strength and political coloration? Do we have good knowledge about middle-rank and potential successor leaders and their attitudes?
- 4. Will the UAR be able to match Israel in equipment and training over the next two years? Four years? If not, why not?
- 5. Does the UAR have any capability for producing nuclear weapons? What level of outside support could provide such a capability?
- 6. What is the prognosis for the economic health of the UAR over the . next decade? What are the implications for U.S. policy of economic trends?
- 7. What are the principal levers of outside influence available to which nations?
- 8. Is the Israeli assumption that a post-Nasser government would be more amenable to negotiations correct?

*NOTE: USE THE ABOVE QUESTIONS, APPROPRIATELY MODIFIED, FOR SYRIA, JORDAN, LEBANON, AND IRAQ.

OTHER MIDDLE EAST COUNTRIES

- 1. Is the continuing Greek-Turk hostility on Cyprus likely to erupt again within the next year? Next four years? What are the prospects for a settlement between the two communities on Cyprus?
- 2. Are minorities -- such as the Kurdish minority in Iraq, Iran and Turkey -- likely to present insurgency problems?

SECRET

- 3. What are the prospects for stability in the Persian Gulf area? What are the objectives for this area of the leaders of Saudi Arabia, Iran, and Iraq? What are the prospects for armed conflicts among them? How might U.S. interests be involved in such conflicts? What are Soviet objectives?
- 4. Is there any other problem in the area that has a one-in-ten chance of commanding serious Presidential attention within the next year?

GREECE

- 1. What is the likely course of Greek political development over the next 1-3-5 years? Is it likely that Greece will experience serious political and/or economic instability? Civil War?
- 2. What are the likely trends in Greek foreign policy over the above time span?
- 3. Can the U.S. count on unimpeded use of its bases in Greece to respond to non-NATO contingencies?
- 4. What are the prospects for Greece's full-scale economic integration into the Western European economic community?

SECRET

SOUTH ASIA (India, Pakistan, Afghanistan, Nepal, Ceylon, Maldive Islands)

- 1. What is the current agricultural situation? What are the prospects for solving the food-populations problem? What are the general prospects for economic growth in the area?
- 2. What is the current state of Soviet influence in the area? To what extent is Soviet influence likely to increase or decrease--especially in India, Pakistan and Afghanistan--during the next two years?
- 3. What are the domestic political prospects for the South Asian nations? The answer should deal, among other things, with:
- a. Pakistan--The future of Ayub's regime and rivalry between the two wings.
- b. India -- The prospects for Congress control, intensified regionalism, and the subversion/guerrilla problem on the eastern border.
- c. Afghanistan -- The future of the monarchy and the democratic experiment.
 - d. Nepal -- The future of the monarchy.
 - e. Ceylon--The immediate future of the present government.
- 4. What role internationally will South Asian nations—especially India—play? What is the basic orientation of their diplomacy and defense policies? What are the prospects these will change; and if so, how?
- 5. What are the prospects for a settlement of Indo-Pakistani problems? For the South Asian arms race?
 - 6. What role will Communist China play in South Asia?

TURKEY

- 1. What are the prospects for U.S.-Turkish relations in the next four years?
- 2. What are the prospects for continued democratic government in Turkey?
 - 3. What are the prospects for economic growth?

SECRET

NORTH AFRICA

- 1. What is the spectrum of interests and opinions in Libyan, Tunisian, Algerian, Moroccan and the Sudanese politics? Which groups have what power? How is their influence likely to increase or decrease?
 - 2. Will Libya break up after the death of the king?
 - a. Who are the likely internal contenders?
- b. What are the opportunities for Tunisia and the UAR to seek advantage from disorder in Libya?
 - c. What are the prospects for continued U.S. tenure at Wheelus?
 - 3. Identify the major threats of guerrilla war.
- a. Will guerrilla activity in the South of Sudan spill over into Uganda and Ethiopia?
 - 4. What are the prospects for stability in Algeria and Morocco?
 - a. How extensive and how effective is the Chinese presence?
 - b. What is the character of their aid to the Arab cause?
 - 5. What are the prospects for economic cooperation in the Naghreb?

SECRET

AFRICA

1. Biafra

What is the present situation and likely outcome of the Nigeria/Biafra war? What are the foreseeable consequences of an FMG victory? A Biafran victory? Which outside powers have become involved? How much assistance, in what forms, has each given and why? What has been the effect including political impact, of outside assistance? Will it or could it determine the outcome? How much influence has the USSR gained in Nigeria and in other African countries by its support of the FMG? What has the U.S. gained or lost by its policy thus far? What is the current state of food supplies and starvation in Biafra? What food requirements are foreseen? How will they be met?

SOUTHERN AFRICA

- 1. What are the prospects for Black African insurgency throughout the area over the short run? Long run? What is the likely response of the white-ruled states? To what extent will this violence be supported by the Soviet Union and Communist China? Is it likely to imperil the position of local African leaders such as Zambia's President Kaunda? What will be the likely reaction of other African leaders and the OAU?
- 2. Is there a reasonable prospect of change in the racist policies of the South African and Rhodesian regimes over the next year or two? What are the basic strengths and weaknesses of these regimes and the Portuguese regimes in Angola and Mozambique? To what extent will South Africa intervene to prop up the white Rhodesians? The Portuguese in Angola and Mozambique?
- 3. Will the British Government substantially shift its position on Southern Africa in the face of the economic importance of the area to its own financial situation? Where do other powers stand on the problem? What are the prospects of action on the subject in the United Nations?

SECRET

LATIN AMERICA

- 1. What have been the most significant concerted actions or decisions taken under the OAS since 1961? What have been the major criticisms by Latin American governments and political leaders of U.S. participation in the use of the OAS as an instrument of its foreign policy? Evaluate the legitimacy of these criticisms?
- 2. How extensive is the Cuba-based apparatus for instigating and aiding insurgent movements? What is the extent of the insurgency problem in each country of Central and South America? How effective are the police and military forces in each country that has a significant insurgent/terrorist movement? How solid is the insurgent infrastructure? What outside support is it now receiving and how dependent is it on such further support? What is the likelihood of a successful insurgency by Castro--supported insurgents?
- 3. Identify any countries, and within each, the specific leaders, leader-ships, or political parties, which have supported in the past, or might be expected to support and be able to commit their government to regional peacekeeping forces and security arrangements. Specify in as complete detail as possible the particular political and military arrangements which have been advocated.
- 4. What is the potential for organized politically-motivated violence in each of the Latin American countries? (Distinguish between urban and rural areas and within each the source of leadership and political initiative.) What are the major sources of social unrest in these countries? How able and willing will government be to respond to the pressures being generated?
- 5. What evidence is there of the "socializing" or "modernizing" role played by military establishments, i.e., improving literacy, transmitting skills to civilian economy? Is this role widely emphasized or accepted within Latin American countries? Are there manifestations of a growing anti-military sentiment in Latin American countries?
- 6. Is there any country likely to develop as a recognized regional leader? If so, in what areas of leadership and with what operational significance insofar as the policies of other Latin governments are concerned?
- ? 7. What initiatives regarding regional security, trade, or economic policies might we expect from Latin American governments during the next five years?

- 8. What is the extent of effectively organized opposition to Castro within Cuba? What is the extent of and potential for social unrest in Cuba, and from what sources? What is the projected economic health of Cuba? What are the objectives of the U.S. embargo and how effective is it in achieving them? How monolithic is the Castro regime -- are there any factions whose views could be strengthened by U.S. actions? What actions?
- 9. What are the major strands of common dissatisfaction with current U.S. security, trade, and economic policies -- particularly the U.S. role in the Alliance for Progress -- that have been expressed by Latin American governments and political leaders? Evaluate these as to fact and their national interest.
- 10. In which countries might communist-dominated or other ideologically anti-U.S. leaders and parties be elected to government? What kinds of policies inimical to U.S. interests might they pursue? In each case that, if any, might be the effect on neighboring countries?
- 11. What are Soveit strategy and objectives in Latin America? How high a priority does the region have in Soviet strategy? What is the extent of Soviet diplomatic, economic and cultural ties with the various countries? How does Soviet strategy relate to Cuban objectives, and how much coordination or conflict is there between the two? How much restraint do the Soviets exert on Cuba's "export of revolution"?

SECRET

MALAYSIA, SINGAPORE

- 1. What is the U.S. interest in Malaysia and Singapore? Are post-Vietnam events likely to lead to demands for U.S. aid or a U.S. military presence? Would the U.S. be able to use Singapore naval base facilities after Vietnam? Will commercial shippard facilities continue to be available?
- 2. Will communal problems threaten the stability of Malaysia or Singapore over the next 1-3-5 years? What measures are the two governments taking to create integrated societies? Is sufficient opportunity provided for key groups such as students, labor and intellectuals?
- 3. Will Malaysia and Singapore get along with each other without violence within the next 1-3-5 years? With Indonesia?
- 4. Is Singapore's attitude toward China likely to change depending upon the outcome in Vietnam? Depending upon the course of events in China?
- 5. Will Malaysia and Singapore be receptive to Asian regional organizations taking on security responsibilities?

SECRET

INDONESIA

- 1. What are the major economic problems? Is aid being used effectively? How long will it be before the Indonesian economy will be able to survive on "normal" doses of foreign aid?
- 2. Does Suharto have general popular support? What is the attitude toward the present regime? Of intellectuals? Of students? Are there serious regional differences in attitude toward the Suharto government? Is Suharto's position dependent on some minimum degree of economic growth? What are the leadership alternatives? Are any other Indonesian leaders likely to challenge Suharto's position?
- 3. What is the strength of the underground PKI? Do we have sufficient knowledge of PKI organization to assess its capabilities? Does the PKI have genuine village support or does it rely on terrorism? Do other organized groups pose a threat to the government?
- 4. How effective are the Indonesian armed forces? Equipment? Morale? Are there major regional differences among the divisions and do these affect loyalty to the regime? How much military assistance is advisable to sustain the Suharto regime?
- 5. How serious is friction between Indonesia and Singapore? Malaysia? In the next 1-3-5 years could Indonesia make a contribution to regional security? Is Indonesia likely again to turn expansionist?

CAMBODIA

- 1. What is the state of opposition to Sihanouk? Does he face a serious insurgent problem? From the Communists? Other groups? Does Sihanouk continue to enjoy general popular support?
- 2. What is Sihanouk's attitude toward the U.S.? Toward China? To what extent does his attitude depend upon events in Vietnam?
- 3. In what circumstances might Cambodia play a responsible role in the Asian community?
- 4. How serious are Cambodia's economic problems? How much pressure is he under to seek more foreign economic assistance?
- 5. What is Sihanouk's attitude toward VC/NVA use of Cambodian territory as a sanctuary? What is his attitude toward a strengthened ICC?

SECRET

THAILAND

- 1. What is the extent of the insurgency problem in each of the major regions? How solid is the insurgent infrastructure? How extensive is outside support for the insurgency? To what extent is insurgency dependent upon such support? What is our evidence on these questions? Does the data support alternative interpretations?
- 2. Are the Thai properly organized for an optimum counter-insurgency effort? What is the extent of friction between the national police and the military leaderships?
- 3. Do Thai security forces have the capability of controlling insurgent movements at present levels? At foreseeable levels? Do the Thai security forces efficiently use equipment presently provided? Is it feasible to build up a major Thai fighting force along the lines of the ROKA? What is the current U.S. military assessment of the combat readiness of the Thai armed forces, both quantitatively and qualitatively?
- 4. What is the attitude of local inhabitants toward the behavior of Thai officials and security forces? What is their attitude toward insurgents?
- 5. How much awareness is there in remote areas of the Thai Government's developmental efforts? To what extent is Thai economic development reflected in rural as well as urban areas? To what extent have the peasants participated in the development reflected in national income statistics? Is corruption a major problem in the implementation of projects at the local level? What is being done about it?
- 6. Will Thailand wish to have U.S. forces remain after a Vietnam settlement? If so, will present informal base arrangements suffice? How many and what sort of forces would the Thai wish to have remain? For how long? Which installations will the Thai permit us to maintain? Would the Thai Government be conducive to joint-basing arrangements or to Thai maintenance of some facilities such as Northeast airfields on a standby basis?
- 7. Is Thailand's alignment subject to change as a result of the terms of a Vietnam settlement or the course of post-Vietnam develoments? If so, what are the prospects?

SECRET

- 8. What effect on Thai-U.S. relations is likely to flow from the return to parliamentary government? What is the general attitude of Thai politicians toward the alliance with the United States? Toward Thai involvement in the Vietnam war? What is the strength of opposition political parties? Is the government developing its own political base? What degree of support does it enjoy?
- 9. What is the attitude toward the administration of such groups as youth, labor, intellectuals, young bureaucrats, young and middle-grade military officers?

LAOS

- 1. Are there realistic alternatives for a non-Communist Laos, short of the perpetuation of a divided country or a paper-coalition government? What is left of the neutralist base?
- 2. Will Souvanna settle for less than an explicit reaffirmation of the Zurich and/or Geneva Accords in conjunction with Vietnam settlement? How active will Souvanna be in working toward this goal? Is there risk that he might at some point throw in the towel?
- 3. Has Souvanna developed his political base? Is non-Communist opposition to the RLG a major consideration? What alternative assets do we have should Souvanna not be available?
- 4. What is the potential for building up the Lao forces over the next 1-3-5 years? What are the major shortcomings? Equipment? Morale? Is it reasonable to expect North Vietnam and the Pathet Lao to settle for non-Communist Lao retention of the Mekong lowlands for an indefinite period?
- 5. Is Souvanna at some point in the Paris negotiations likely to call for a cessation of U.S. bombing in Laos or to indicate publicly that he does not condone the bombing? In what areas will Souvanna tolerate U.S. operations? What sort of missions? Will he insist on limiting operations to the supply corridors for Vietnam? Will he continue to permit the use of B-52s?
- 6. To what extent will the Thai be prepared to involve themselves in Lao events? How much leverage do they have on Lao leaders?
- 7. What degree of support for a possible solution in Laos acceptable to the U.S. can be expected from the UK? USSR? India? Other Asian countries? What countries would be willing to participate in a revamped ICC or other peacekeeping machinery? Is it practical to conceive of the peacekeeping forces as an all-Asian effort? To what extent can other Asian states be expected or induced to take an active role in demanding a non-Communist Laos?
- 8. What is the significance of the Communist Chinese roadbuilding activities in Northern Laos? What is the relative influence of Peking and Hanoi over the Pathet Lao?

Approved For Release 2004/07/07: CIA-RDP75B00157R000100040004-5

DISARMAMENT

A. Nuclear Proliferation

- 1. Describe the state of the capabilities of the nations which could build a nuclear weapon in the next five years?
- a. Which nations have a "stand-by" capability and how many months are they away from a bomb?
- b. Are any nations actively pursuing construction of the bomb -- rather than acquisition of a stand-by capability?
- c. What are the sources of our information? Identify "hard" and "soft" areas.
- 2. Identify scarce materials required for a stand-by capability, and for moving from a stand-by capability to a weapon.
- a. How effectively can the acquisition of these materials be monitored?
- b. How effectively can the acquisition of these materials be controlled?
- c. How effective at detecting evasions are the inspection provisions of the NPT?
- 3. What testing facilities are available to each nation that could produce a bomb within the next five years? What facilities would be required for "safe" tests up to what yields?
- 4. What is the state of the delivery capability of each nation that could produce a weapon within the next five years?
- 5. How effectively can the source of an incoming missile be identified? For example, if an Israeli warhead fell on Soviet territory, could it be anonymous?
- 6. Do programs for the peaceful use of nuclear weapons, such as the US Project Plowshare, hinder or aid the proliferation of nuclear weapons?

Approved For Release 2004/07/07 SECRET 5800157R000100040004-5

Disarmament - 2

- 7. Have any of the present powers (or nations which could produce a weapon within five years) exhibited an interest in unconventional delivery capabilities, such as a bomb in a suitcase or a bomb in a freighter in New York Harbor? How effectively can such activity be monitored?
 - 8. Which nations are unlikely to sign the NPT?
- a. What levers are available to whom (to persuade a particular nation to sign)?
- b. How strong is the Soviet interest in having each of these nations sign?
- c. If these nations are coerced into signing, how likely is their signature to prevent their acquisition of nuclear weapons within the next five years?
 - 9. Would the Soviet Union sign first or simultaneously?

B. Strategic Arms Talks

1. Why, and how strongly, does the Soviet leadership want strategic arms limitation talks with the US? What are the sources within the Soviet leadership and society, of support for and opposition to meaningful talks.

C. Other Disarmament Items

- 1. What is the status of US-Soviet exchanges on "technical" violations of the test ban treaty? How significant and frequent have such violations been?
- 2. What is the status of US contacts with the USSR on problems of space, including matters pending before the UN?
- 3. Describe the state of biological and chemical warfare capabilities and research in relevant countries.
- a. Is there any evidence of nations substituting these forms for nuclear capabilities?
- b. Which nations might be tempted to divert energy blocked by an NPT into these areas?

AID/MAP

- 1. What is the size of the existing program (including authorizations and/or appropriations for FY 69 and requests for FY 70)?
 - a. By agency?
- b. By type of program (military, development loans, grants, technical assistance, supporting assistance, Peace Corps, etc.)?
 - c. By country?
- 2. What are the terms of present credits (maturities, interest rates, grace periods, tying, etc.)?
- 3. What are the major criticisms of US foreign assistance programs by governments and political leaders of developing countries?
- 4. For current major recipients of US economic assistance, what evidence of past performance and "effective absorptive capacity" can be offered to justify higher levels of government-to-government resource transfers?
- 5. What countries face serious debt burden problems? (Show separately their debts to US and other major donors.) What are the projections of the ability of the major aid recipient countries to manage the increasing level of public and private debt burden generated through development loans from all sources? What are the implications for US aid policies?
- 6. What evidence can be offered to demonstrate the success of US economic assistance programs in less-developed countries in cost benefit terms? What countries have graduated from our aid program? Which, if any, are now scheduled to do so over the next several years? Which others, if any, might also be in a position to "graduate" with 5 years?
- 7. How effective is the budgetary process within countries that are major recipients of US military and economic assistance? To what degree does the lack of coherent national planning, programming, and budgeting vitiate US efforts to coordinate our own programs?

Approved For Release 2004/07/07: CIA-RDP75B00157R000100040004-5

AID/MAP - 2

- 8. List the economic growth, population growth, and growth of GNP per capita of recipients of U.S. aid during the latest year for which data are available, the last 5 years, and the last 10 years.
- 9. Could countries now buying arms from the United States through credits furnished by or guaranteed by the US Government (DOD) continue to buy the same level of arms if funds and credits had to be arranged through national or international capital markets? Would they continue to buy from the United States?
- 10. To what extent does the separation of Public Safety programs for police and paramilitary forces (AID) and military assistance for military forces (DOD) exacerbate political frictions between indigenous national police and military establishments? Are there cases in which Ministers of Interior and Defense "play off" their US advisors against each other to the detriment of US interests?

Approved For Release 2004/07/07: CIA-RDP75B00157R000100040004-5

FOREIGN ECONOMIC POLICY

A. Balance of Payments

- 1. What was our balance of payments position in 1967 and 1968?
- a. On both official definitions, with explanations for the divergences.
 - b. With special financing shown separately.
 - c. With reference to structure, e.g., the trade balance.
- 2. What is the outlook for our balance of payments in 1969 and beyond?
- 3. What measures are now in force to seek improvement in the balance of payments? (Include not only 1968 and 1969 programs but also on going policies such as Buy America, tied AID, etc.)
- a. What is the objective of each (quantitatively as well as qualitatively, if possible)?
- b. What are the costs of each (quantitatively as well as qualitatively, if possible)?
- 4. What are the details (including magnitudes) of the special arrangements which we have negotiated with other countries to reduce or finance our deficits (Germany, Canada, Japan, etc.)?
 - 5. What is the size of our reserves?
 - a. Total.
- b. By component (including how much of foreign exchange accumulated under swap activations).
- 6. What are our total monetary liabilities to foreigners (including near-liquid liabilities)?
 - a. To private foreigners (estimate)
- b. To official foreigners (estimate) -- list the major countries (any holding more than \$100 million) individually

Approved For Release 2004/07/07: CIA-RDP75B00157R000100040004-5

Foreign Economic Policy - 2

- c. Show Roosa bonds, other longer term securities, and near-liquid liabilities separately in (b).
 - d. Show liabilities under activated swaps separately.

B. International Monetary System

- 1. What is the status of the SDR process?
 - a. For ratification?
 - b. Where do discussions stand on activation?
- 2. What agreements now cover the gold markets?
- a. Full scope and divergence of interpretation of March 19 decisions
 - b. Re South African gold
- 3. What is the status of discussions, if any, concerning other changes in the system?
- a. Recycling of speculative funds or other measures to cope with crises
 - b. Adjustment process
 - 4. What is the British financial position?
 - a. Reserves -- total and by component
- b. Liabilities -- regular sterling liabilities, private and official, forward commitments); through swaps and other support package operations, including maturities and lending countries; to IMF, with maturities; under latest Basel arrangement
- c. What is the outlook for further use of the latest Basel credits, i.e., further departures from the sterling area?

Approved For Release 2004/07/07 : CIA-RDP75B00157R000100040004-5

Foreign Economic Policy - 3

- 5. What are the reserves and short-term liabilities of the other Group of Ten countries?
- a. Show reserves by component, including separately dollar holdings and other claims on U.S.
- b. Show separately liabilities under swaps or other support arrangements, esp. for France
- 6. What is the likelihood of renewed speculative attacks against the French franc, pound sterling, and/or other currencies and/or in favor of the Deutschemark, lira and/or other currencies?

C. TRADE

- 1. What parts of the Kennedy Round agreements have been implemented, by the U.S. and by other countries? What remains to be implemented and under what conditions, if any?
- a. List value of U.S. imports of each from 1964 through the latest data
 - b. How many bills or sponsors stand behind each?
- 2. What progress has been made since the Kennedy Round and what is the current status of international discussions in GATT, OECD, or elsewhere, on:
 - a. Non-tariff barriers
 - b. Agricultural trade
 - c. Border taxes
 - d. Responsibilities of surplus countries
 - 3. What is the status of trade preferences and other UNCTAD matter
- 4. What is the current status of dumping, countervailing duty, and escape cause actions.
 - 5. What is the status and operation of the cotton textile agreement?
 - 6. What is the status of the new steel agreement?

CONFIDENTIAL Approved For Release 2004/07/07: CIA-RDP75B00157R900100040004-5

National Security Council Study Memorandum No. 9

General Note: Answers will be brief, held to 1 or 2 pages where possible, and in no event longer than 5 pages. At the end of each question, recent CIA reports or estimates which contain elaborations of the response will be referenced, as appropriate. Such paragraphs will begin with a side head, Additional CIA References.

- 1. For each country, geographic area, or subject specified in the three page outline, a separate cover sheet will be prepared, with the name underlined and centered on the paper in capitals. For example: THE USSR.
- 2. Each answer will be prepared on letter size paper, single space, using MTST "COURIER" type, and _____ copies will be furnished.
- 3. As a heading for each answer, the specific question asked will be used, underlined, and identifying its group. For example:

I. General

- 1. How do the Soviets see their position in the world vis-a-vis the United States?
- 4. Pages will be numbered for each answer, using Arabic numerals.
 - 5. Margins will be 1 1/2" all around.
- 6. All graphics must be coordinated at a central point as to number and format. All place names must conform to Board of Geographic Names usage.

CONFIDENTIAL